

**DEPARTMENT OF HEALTH SERVICES**

714/744 P Street  
P.O. Box 942732  
Sacramento, CA 94234-7320  
(916) 657-2941



October 7, 1999

TO: All County Welfare Directors  
All County Administrative Officers  
All County Medi-Cal Program Specialists  
All County Public Health Directors  
All County Mental Health Directors

Letter No.: 99-49

**FRAUD PREVENTION LETTER AND FLYER SENT TO MEDI-CAL PROVIDERS**

This All County Welfare Directors Letter (ACWDL) is to inform the county welfare departments (CWDS) of a letter being sent on October 4, 1999 to all California Medi-Cal providers from Diana M. Bontá, R.N., Dr.P.H., Director of the Department of Health Services (DHS). This letter concerns Medi-Cal fraud and the implementation of the Fraud Prevention Initiative, which will assist in detecting fraud and punish persons who commit fraud. The letter also seeks the assistance of Medi-Cal providers by requesting that they distribute a flyer enclosed with the letter. This flyer, titled "Medi-Cal Fraud is Against the Law" includes the DHS Fraud Hotline phone number of 1-800-822-6222 to be used to report potential Medi-Cal fraud cases. Although both the letter and flyer include the toll-free hotline phone number, the CWD offices may realize an increase in phone calls.

A copy of the October 4, 1999 letter and flyer is enclosed. Please distribute them to the appropriate staff to assist in phone inquiries. If you have any questions regarding this letter, please call Vicki Partington of my staff at (916) 654-5909.

Sincerely,

ORIGINAL SIGNED BY  
RICHARD BRANTINGHAM for

Angeline Mrva, Chief  
Medi-Cal Eligibility Branch

Enclosure



## DEPARTMENT OF HEALTH SERVICES

14 P STREET, ROOM 1253  
PO BOX 942732  
SACRAMENTO, CA 94234-7320  
324-1055



October 4, 1999

Dear Medi-Cal Provider:

Governor Gray Davis recently appointed me as Director of the State Department of Health Services (DHS). My responsibilities include oversight of the \$21 billion Medi-Cal program, which provides services to five million beneficiaries through both fee-for-service and managed care delivery systems.

As providers, you face many challenges today in your communities as you deliver health care to our Medi-Cal population. DHS is committed to work to improve and streamline the Medi-Cal program to make it as efficient as possible in its interactions with you. Your individual efforts to provide health care services to our low-income population in California are appreciated. Our collective efforts can go far in improving the public health of this state's population.

An issue of great concern to me, and one with which I need your assistance, is the fraud and abuse in the Medi-Cal program committed by some Medi-Cal providers. Fraud diverts valuable resources away from being used for legitimate program purposes, and in some instances endangers the public health. We have found cases where services have been billed to the Medi-Cal program, which were never performed, as well as instances where Medi-Cal beneficiaries have been subjected to unnecessary and unsafe medical or dental procedures. Our program dollars are for the purpose of providing much needed health care to low income Californians. We need to ensure that these funds are spent appropriately and that our Medi-Cal beneficiaries are safe.

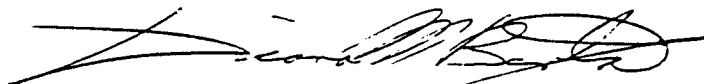
In response to this serious problem, Governor Davis has recently signed new laws that will assist in detecting and preventing fraud and abuse and punish persons who commit it. In addition, the Governor has assigned DHS the responsibility of implementing a coordinated Fraud Prevention Initiative and convening the Governor's Medi-Cal Fraud Task Force. The purpose of the Task Force is to step up our coordination and information sharing efforts with the Department of Justice, the State Controller, the Federal Office of Inspector General, the Federal Bureau of Investigation, the U.S. Attorney, and local law enforcement agencies. Governor Davis wants to send a clear message that fraud will not be tolerated and the State will take decisive actions, including criminal prosecutions, to protect Medi-Cal beneficiaries and the integrity of the Medi-Cal program.

In implementing the coordinated Fraud Prevention Initiative, DHS has established the Medi-Cal Fraud Prevention Bureau, and acquired additional staff, as well as redirected existing staff to this effort. We will be tightening the provider enrollment process, performing background checks, and increasing our on-site visits and investigations. We have developed emergency regulations that define the tighter enrollment process and establish procedures to review the qualifications of current providers to continue program participation. In August 1999, the Department notified independent pharmacies, durable medical equipment dealers, prosthetists, orthotists, and non-emergency transportation providers that they will be required in the upcoming months to complete new applications for continued enrollment. A letter was also sent out in September 1999 to these five provider types and independent laboratories notifying them of the risk assessment that will be performed by Medi-Cal Fraud Prevention Bureau for these provider types over the next several months.

A key component of the success of our effort is you. We need you and every other provider to be our eyes and ears in the community and to assist us in protecting the integrity of the Medi-Cal program. We are also asking our Medi-Cal managed care plan partners to assist us in this effort. Please help us publicize our Anti-Fraud Hotline phone number -- **1-800-822-6222** by distributing the enclosed flyer. Anyone may use this number to report potential fraud or abusive activities. Callers may, of course, remain anonymous.

One of my highest priorities as the Director of the Department of Health Services is to protect the public health of Californians and ensure that Medi-Cal program dollars flow appropriately to pay for services for the Medi-Cal beneficiaries. I sincerely thank the vast majority of Medi-Cal providers who are honest in the delivery of health care services and in their billing practices. I look forward to your continued support in protecting the integrity of the Medi-Cal program and, more importantly, the health of Medi-Cal beneficiaries. DHS will continue mailings to Medi-Cal providers updating you on our anti-fraud efforts.

Sincerely,

A handwritten signature in black ink, appearing to read "Diana M. Bontá", with a stylized flourish at the end.

Diana M. Bontá, R.N., Dr. P.H.  
Director

Enclosure



# **MEDI-CAL FRAUD IS AGAINST THE LAW**



**MEDI-CAL FRAUD COSTS TAXPAYERS MILLIONS  
EACH YEAR AND CAN ENDANGER  
THE HEALTH OF CALIFORNIANS.**

**HELP PROTECT MEDI-CAL AND YOURSELF  
BY REPORTING YOUR OBSERVATIONS TODAY.**

**DHS MEDI-CAL FRAUD HOTLINE  
1-800-822-6222**

**THE CALL IS FREE AND YOU CAN REMAIN ANONYMOUS.**

Knowingly participating in fraudulent activities can result in prosecution and jail time. Please help the State Department of Health Services prevent Medi-Cal Fraud.